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19 July 1967

NOTE FOR JSW:

1. For your information.

2. This is a re-do of the retirement amendments as we have discussed.

3. I have requested Ben to come up with the cost figures in connection with cost of living.

4. 80 per cent maximum amount is in Section 3, page 3. Other changes clipped and underlined.

5. As you probably know, JGO was told by John Martin, of Ways and Means, that Section 116 of the Social Security Act Amendments of 1967 was deleted by the Committee in executive session. I assume that is the death knell for the minimum guaranteed benefits proposal also.

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A BILL

To amend the Central Intelligence Agency Retirement Act of 1964 for Certain Employees, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Central Ingelligence Agency Retirement Act Amendments of 1967".

SEC. 2. The Central Intelligence Agency Retirement Act of 1964 for Certain Employees (78 Stat. 1043; 50 U.S.C. 403 note) is amended by striking subsection 204 (b) (3) and inserting the following in lieu thereof:

"(3) 'Child', for the purposes of sections 221 and 232 of this Act, means an unmarried child, including (i) an adopted child, and (ii) a stepchild or recognized natural child who lived with the participant in a regular parent-child relationship, under the age of eighteen years, or such unmarried child regardless of age who because of physical or mental disability incurred before age eighteen is incapable of self-support, or such unmarried child between eighteen

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and twenty-two years of age who is a student regularly pursuing a full-time course of study or training in residence in a high school, trade school, technical or vocational institute, junior college, college, university, or comparable recognized educational institution. A child whose twenty-second birthday occurs prior to July 1 or after August 31 of any calendar year, and while he is regularly pursuing such a course of study or training, shall be deemed for the purposes of this paragraph and section 221 (e) of this Act to have attained the age of twenty-two on the first day of July following such birthday. A child who is a student shall not be deemed to have ceased to be a student during any interim between school years if the interim does not exceed five months and if he shows to the satisfaction of the Director that he has a bona fide intention of continuing to pursue a course of study or training in the same or different school during the school semester (or other period into which the school year is divided) immediately following the interim. The term 'child', for the purposes of section 241, shall include an adopted child and a natural child, but shall not include a stepchild.".

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SEC. 3. Section 221 (a) of the Central Intelligence Agency Retirement Act (50 U.S.C. 403 note) is amended by striking out "thirty-five" and substituting "forty".

SEC. 4. Section 221 (b) of the Central Intelligence Agency Retirement Act (50 U.S.C. 403 note) is amended by deleting the words "or remarriage" from the first sentence, and section 232 (b) is amended by deleting the words "or remarriage" from the second sentence.

SEC. 5. Section 221 (e) of the Central Intelligence Agency Retirement Act (50 U.S.C. 403 note) is amended to read as follows:

" (e) The commencing date of an annuity payable to a child under paragraph (c) or (d) of this section, or (c) or (d) of section 232, shall be deemed to be the day after the annuitant or participant dies, with payment beginning on that day or beginning or resuming on the first day of the month in which the child later becomes or again becomes a student as described in section 204 (b) (3), provided the lump-sum credit, if paid, is returned to the fund. Such annuity shall terminate on the last day of the month before

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(1) the child's attaining age eighteen unless he is then a student as described or incapable of self-support, (2) his becoming capable of self-support after attaining age eighteen unless he is then such a student, (3) his attaining age twenty-two if he is then such a student and not incapable of self-support, (4) his ceasing to be such a student after attaining age eighteen unless he is then incapable of self-support, (5) his marriage, or (6) his death, whichever first occurs.".

SEC. 6. Section 221 of the Central Intelligence Agency Retirement Act (50 U.S.C. 403 note) is amended by deleting the last two sentences of subsection (f), and adding the following new paragraphs (g) and (h) :

" (g) Except as otherwise provided, the annuity of a participant shall commence on the day after separation from the service, or on the day after salary ceases and the participant meets the service and the age or disability requirements for title thereto. The annuity of a participant under section 234 shall commence on the day after the occurrence of the event on which payment thereof is based. An annuity other-

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wise payable from the fund allowed on or after date of enactment of this provision shall commence on the day after the occurrence of the event on which payment thereof is based.

" (h) An annuity payable from the fund on or after date of enactment of this provision shall terminate (1) in the case of a retired participant, on the day death or any other terminating event occurs, or (2) in the case of a survivor, on the last day of the month before death or any other terminating event occurs.".

SEC. 7. Section 252 of the Central Intelligence Agency Retirement Act (50 U.S.C. 403 note) is amended by deleting subsection (c) (1); renumbering subsections (c) (2) and (c) (3) to read (c) (3) and (c) (4) ; and inserting the following new subsections (c) (1) and (c) (2) :

" (c) (1) If an officer or employee under some other Government retirement system becomes a participant in the system by direct transfer, the Government's contributions under such retirement system on behalf of the officer or employee shall be transferred to the fund and such officer or employee's total contributions and deposits, including interest accrued thereon, except voluntary contributions, shall be

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transferred to his credit in the fund effective as of the date such officer or employee becomes a participant in the system. Each such officer or employee shall be deemed to consent to the transfer of such funds and such transfer shall be a complete discharge and acquittance of all claims and demands against the other Government retirement fund on account of service rendered prior to becoming a participant in the system.

" (c) (2) If a participant in the system becomes an employee under another Government retirement system by direct transfer to employment covered by such system, the Government's contributions to the fund on his behalf may be transferred to the fund of the other system and his total contributions and deposits, including interest accrued thereon, except voluntary contributions, may be transferred to his credit in the fund of such other retirement system at the request of the officer or employee effective as of the date he becomes eligible to participate in such other retirement system. Each such officer or employee in requesting such transfer shall be deemed to consent to the transfer of such

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funds and such transfer shall be a complete discharge and acquittance of all claims and demands against the fund on account of service rendered prior to his becoming eligible for participation in such other system.".

SEC. 8. Section 273 of the Central Intelligence Agency Retirement Act (50 U.S.C. 403 note) is amended by deleting subsection (a); renumbering subsection (b) to read (c); and inserting the following new subsections (a) and (b):

"(a) Notwithstanding any other provision of law, any annitant who has retired under this Act and who is reemployed in the Federal Government service in any appointive position either on a part-time or full-time basis shall be entitled to receive the salary of the position in which he is serving plus so much of his annuity payable under this Act which when combined with such salary does not exceed during any calendar year the basic salary such officer or employee was entitled to receive on the date of his retirement from the Agency. Any such reemployed officer or employee who receives salary during any calendar year in excess of the maximum amount which he may be entitled

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to receive under this paragraph shall be entitled to such salary in lieu of benefits hereunder.

" (b) When any such annuitant is reemployed, he shall notify the Director of Central Intelligence of such reemployment and shall provide all pertinent information relating thereto.".

SEC. 9. Section 291 of the Central Intelligence Agency Retirement Act (50 U.S.C. 403 note) is amended to read as follows:

"SEC. 291. (a) On the basis of determinations made by the Director pertaining to per centum change in the price index, the following adjustments shall be made:

" (1) Each annuity payable from the fund on January 1, 1967, shall be increased on that date by (a) 12.4 per centum for annuities which commence on or before January 1, 1966, or (b) 4.9 per centum for annuities which commence on or between January 2, 1966, and January 1, 1967.

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" (2) Each month beginning with November 1966 the Director shall determine the per centum change in the price index. Effective the first day of the third month which begins after the price index shall have equaled a rise of at least 3 per centum for three consecutive months over the price index for the base month, each annuity payable from the fund which has a commencing date not later than such effective date shall be increased by the per centum rise in the price index (calculated on the highest level of the price index during the three consecutive months) adjusted to the nearest one-tenth of 1 per centum.

" (b) Eligibility for an annuity increase under this section shall be governed by the commencing date of each annuity payable from the fund as of the effective date of an increase, except as follows:

"(1) Effective from its commencing date, an annuity payable from the fund to an annuitant's survivor (other than a child entitled under section 221 (c)), which annuity commences the day after annuitant's death and after January 1, 1967, shall be increased by the total per centum increase

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the annuitant was receiving under this section at death; or if death occurred between January 1, 1967, and date of enactment, the per centum increase the annuitant would have received.

" (2) Effective from its commencing date, an annuity payable from the fund to a child under section 221 (c), which annuity commences the day after annuitant's death and after January 1, 1967, shall be increased by (a) 2 per centum if the annuity from which it is derived commenced on or before January 1, 1966, or (b) 1 per centum if the annuity from which it is derived commenced on or between January 2, 1966, and January 1, 1967.

" (3) For the purposes of computing an annuity which commences after January 1, 1967, to a child under section 221 (c), the items $600, $720, $1,800, and $2,160 appearing in section 221 (c) shall be increased by 10.2 per centum plus the total per centum increase allowed and in force under section 291 (a) (2) for employee annuities, and, in case of a deceased annuitant, the items 40 per centum and 50 per centum appearing in section 221 (c) shall be increased

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by the total per centum increase allowed and in force under this section to the annuitant at death; or if death occurred between January 1, 1967, and date of enactment, the per centum increase the annuitant would have received.

" (c) Any annuity increased under this section shall be decreased by the amount of increase in force and effect with respect to that annuity under section 291 prior to the date of enactment of this Act.

" (d) The term 'price index' shall mean the Consumer Price Index (all items--United States city average) published monthly by the Bureau of Labor Statistics. The term 'base month' shall mean the month of October 1966 for the first increase under section 291 (a) (2) and thereafter the month for which the price index showed a per centum rise forming the basis for a cost-of-living annuity increase.

" (e) No increase in annuity provided by this section shall be computed on any additional annuity purchased at retirement by voluntary contributions.

" (f) The monthly installment of annuity after adjustment under this section shall be fixed at the nearest dollar, except that such installment shall after adjustment reflect an increase of at least one dollar.".

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